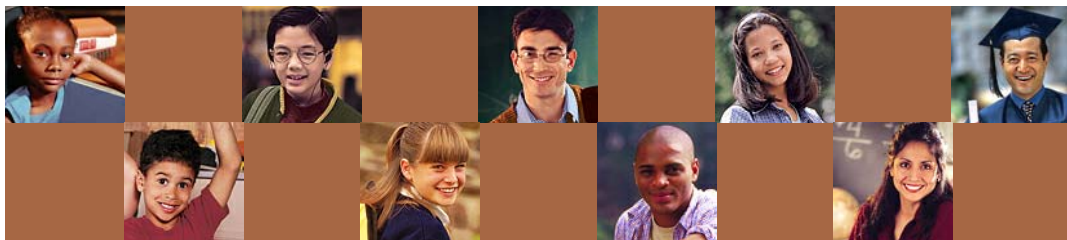


the condition of education 2005



INDICATOR 37

Changes in Sources of Public School Revenue

The indicator and corresponding tables are taken directly from *The Condition of Education 2005*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2005*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.sap?pubid=2005094>) or contact ED PUBs at 1-877-4ED-PUBS.

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Financing for Elementary and Secondary Education

Changes in Sources of Public School Revenue

The proportion of total public school revenue from property taxes declined in both the Midwest and Northeast from 1989–90 to 2001–02, while the proportion grew in the South.

The proportion of total revenue for public elementary and secondary education from local sources declined from 47 percent in 1989–90 to 43 percent in 2001–02 (see supplemental table 37-2). This decline reflects decreases in the proportion of local revenue from both property tax revenue (36 to 34 percent) and other local revenue (11 to 9 percent). Conversely, the proportion of total revenue from both federal and state sources increased between these years. Despite the declines in the proportions of local revenue from both property taxes and other local revenue sources, the amount from each source of revenue increased in constant dollars from 1989–90 to 2001–02 (see supplemental table 37-1). During this period, total revenues increased 43 percent.

The Midwest experienced the largest decreases in the proportion of total revenue from local sources: local funding there dropped from 55 percent of all revenue for public elementary and secondary education in 1989–90 to 44 percent in 2001–02. Declines in the proportion of property tax revenue, which decreased from 45 to 35 percent during this period, accounted for most of this decrease.¹ The Northeast also experienced

declines in the proportion of revenue from local sources, though these declines were smaller than in the Midwest. In both regions, there were increases in the proportion of total revenue from federal and state sources.

Different patterns were seen in the South and West during this period. These regions experienced little change (less than 1 percentage point) in the proportion of revenue from local sources. However, the proportion of funding from property tax revenue in the South increased from 27 percent in 1989–90 to 31 percent in 2001–02. In contrast, the proportion of funding from property taxes was largely unchanged in the West (a difference of less than 1 percentage point). In both the South and the West, the proportion of revenue from state sources decreased.

In 2001–02, as in earlier years, the Northeast relied to a greater degree on property tax revenues than the other regions. The difference in their reliance on property tax revenues between the Northeast and the Midwest increased from 1989–90 to 2001–02. The differences between the Northeast and the other two regions decreased during that time.

¹ There was a decline in the property tax in Michigan from 1993–94 to 1994–95. During that period, the proportion of total revenue from property taxes fell from 59 to 21 percent in Michigan and from 46 to 39 percent for all the Midwest.

NOTE: Detail may not sum to totals because of rounding. Other local government revenue includes revenue from such sources as local nonproperty taxes, investments, and revenue from student activities, textbook sales, transportation and tuition fees, and food services. Property tax revenue and other local government revenues were imputed for Texas for 1992–93. See supplemental note 9 for information about revenue for public elementary and secondary schools. Estimates are revised from previous publications.

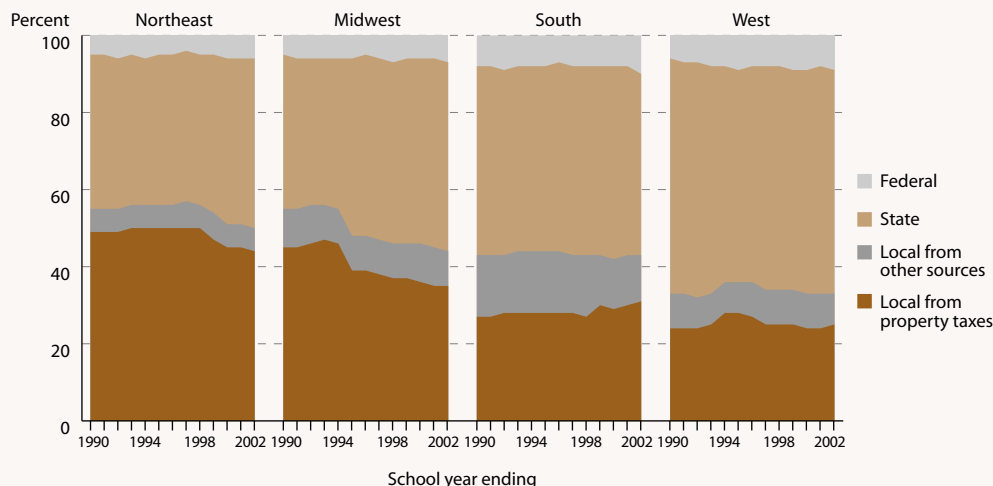
SOURCE: U.S. Department of Education, National Center of Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 1989–90 to 2001–02.

FOR MORE INFORMATION:

Supplemental Notes 1, 3, 9
Supplemental Tables 37-1, 37-2
NCES 2002–025, indicator 43



CHANGES IN REVENUE SOURCES: Percentage distribution of total revenue for public elementary and secondary schools, by region and revenue source: 1989–90 to 2001–02



Changes in Sources of Public School Revenue

Table 37-1. Total revenue for public elementary and secondary schools, by region and revenue source: Selected years, 1989–90 to 2001–02

[Billions of constant 2001–02 dollars]							
Region and revenue source	1989–90	1991–92	1993–94	1995–96	1997–98	1999–2000	2001–02
United States							
Total	\$292.7	\$302.5	\$317.0	\$331.8	\$359.1	\$392.5	\$419.8
Federal	17.8	20.0	22.4	22.0	24.5	28.5	33.2
State	137.9	140.3	143.2	157.6	173.7	194.3	206.8
Local	137.0	142.2	151.5	152.2	160.9	169.7	179.8
From property taxes	105.1	110.7	119.1	117.4	122.5	131.3	141.1
From other sources	31.9	31.5	32.4	34.8	38.4	38.4	38.7
Northeast							
Total	71.9	73.5	75.8	78.3	81.5	89.1	95.2
Federal	3.3	3.8	4.0	3.9	4.1	4.9	5.6
State	28.9	29.0	29.1	30.3	31.7	38.1	42.3
Local	39.7	40.7	42.6	44.1	45.7	46.1	47.3
From property taxes	35.0	36.1	38.1	39.0	40.5	40.4	41.8
From other sources	4.6	4.5	4.5	5.1	5.1	5.6	5.6
Midwest							
Total	68.8	71.4	76.3	80.4	87.0	92.9	99.0
Federal	3.7	4.2	4.6	4.6	5.2	5.9	6.8
State	27.2	27.1	29.7	37.5	41.0	44.6	48.2
Local	37.8	40.1	42.0	38.3	40.8	42.4	44.0
From property taxes	30.9	32.9	35.1	31.0	32.5	33.4	35.1
From other sources	6.9	7.2	6.9	7.2	8.3	8.9	8.9
South							
Total	90.6	93.7	99.0	105.0	113.8	125.6	132.3
Federal	6.6	7.3	8.3	8.0	9.1	10.5	12.2
State	44.5	45.4	47.5	51.4	56.2	62.6	62.6
Local	39.5	41.0	43.1	45.6	48.6	52.5	57.5
From property taxes	24.5	26.5	27.3	29.1	30.5	36.6	41.2
From other sources	14.9	14.5	15.7	16.4	18.1	15.9	16.3
West							
Total	61.4	63.9	66.0	68.1	76.8	85.0	93.3
Federal	4.2	4.7	5.4	5.5	6.1	7.3	8.6
State	37.2	38.8	36.8	38.4	44.8	49.0	53.7
Local	20.0	20.4	23.8	24.3	25.9	28.7	31.0
From property taxes	14.6	15.2	18.6	18.3	19.0	20.8	23.1
From other sources	5.4	5.2	5.3	6.0	6.9	7.9	7.9

NOTE: Detail may not sum to totals because of rounding. Estimates are revised from previous publications. Revenues are in constant 2001–02 dollars, adjusted using the Consumer Price Index (CPI). See *supplemental note 9* for information about the CPI and also information about revenue types. *Supplemental note 1* identifies the states in each region. See *supplemental note 3* for more information about the Common Core of Data (CCD).

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 1989–90 to 2001–02.

Changes in Sources of Public School Revenue

Table 37-2. Percentage distribution of total revenue for public elementary and secondary schools, by region and revenue source: Selected years, 1989–90 to 2001–02

Region and revenue source	1989–90	1991–92	1993–94	1995–96	1997–98	1999–2000	2001–02
United States							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	6.1	6.6	7.1	6.6	6.8	7.3	7.9
State	47.1	46.4	45.2	47.5	48.4	49.5	49.3
Local	46.8	47.0	47.8	45.9	44.8	43.2	42.8
From property taxes	35.9	36.6	37.6	35.4	34.1	33.4	33.6
From other sources	10.9	10.4	10.2	10.5	10.7	9.8	9.2
Northeast							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	4.6	5.1	5.3	5.0	5.0	5.4	5.9
State	40.2	39.5	38.4	38.7	38.9	42.8	44.4
Local	55.1	55.4	56.3	56.3	56.0	51.7	49.7
From property taxes	48.7	49.2	50.3	49.8	49.8	45.4	43.9
From other sources	6.5	6.2	6.0	6.5	6.3	6.3	5.8
Midwest							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	5.4	5.9	6.0	5.7	6.0	6.4	6.9
State	39.6	37.9	39.0	46.7	47.2	48.0	48.7
Local	55.0	56.2	55.0	47.6	46.9	45.6	44.4
From property taxes	45.0	46.1	46.0	38.6	37.4	36.0	35.4
From other sources	10.1	10.1	9.0	9.0	9.5	9.6	9.0
South							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	7.3	7.8	8.4	7.6	8.0	8.3	9.2
State	49.1	48.5	48.0	49.0	49.3	49.8	47.3
Local	43.6	43.8	43.5	43.4	42.7	41.8	43.4
From property taxes	27.1	28.3	27.6	27.7	26.8	29.1	31.1
From other sources	16.5	15.5	15.9	15.7	15.9	12.7	12.3
West							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	6.8	7.3	8.2	8.1	7.9	8.6	9.2
State	60.6	60.7	55.7	56.3	58.3	57.6	57.6
Local	32.6	32.0	36.1	35.6	33.7	33.8	33.2
From property taxes	23.8	23.8	28.1	26.8	24.7	24.5	24.7
From other sources	8.8	8.2	8.0	8.8	9.0	9.3	8.5

NOTE: Detail may not sum to totals because of rounding. *Supplemental note 1* identifies the states in each region. See *supplemental note 9* for further information about revenue types. See *supplemental note 3* for more information about the Common Core of Data (CCD).

SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 1989–90 to 2001–02.